



The City of Toronto Announces its 2008 Capital Budget

November 2007 – Toronto, Canada

Summary: The city of Toronto has revealed the first draft its \$1.6 billion capital budget for the upcoming year. The budget released on October 29, 2007, includes renovation and improvements to the city's public transport system, roads and bridges, and a variety of social services. About 47% of the capital budget will be allocated to repairs and improvements of the public transport system, operated by the Toronto Transit Commission (TTC). Of Toronto's 2008 capital budget, approximately one-third is provided through taxes and another one-third through borrowing and city revenues. The remainder is to be supplied by the provincial and federal government. The current capital budget must undergo a series of council deliberations before its final approval by the Special City Council on December 11, 2007. **End Summary.**

Key Elements of Toronto's 2008 Capital Budget

The 2008 Capital Budget includes an extensive list of improvements to Toronto transport, totaling \$697.248 million. Although the capital budget may be altered during the council deliberations in the subsequent months, the TTC is reliant on city funding and is expected to receive a substantial amount. As indicated by an article in the Toronto Star, 2008 public transport improvements for include the following:

- \$79.4 million to replace aging subway cars for the Yonge-University-Spadina line
- \$42.7 million to replace streetcar tracks and improve underpasses
- \$175.5 million for conventional and wheel trans buses
- \$55 million to starting buying low-floor accessible light rail vehicles to replace existing streetcars
- \$54.8 million to improve train control and signals
- \$19.9 million to construct a new Islington subway station and an inter-regional bus terminal at Kipling station
- \$16 million for the construction of bus rapid transit ways from Downsview to York University and from Finch to Steeles along Yonge Street
- \$9 million to improve public security at Union station

Other areas of spending for the new capital budget include \$112.5 million for the repairing of 16 bridges and 125 kilometers of road in Toronto, \$65.5 million for the implementation of a waste diversion plan, and \$11.6 million for energy efficiency. A more detailed summary of additional initiatives covered by the Toronto 2008 Capital Budget can be viewed on the City of Toronto website at

http://www.toronto.ca/budget2008/pdf/cap_budget_highlights_oct29.pdf.

TTC Service Information

Since 1921, the TTC has serviced 25 billion passengers and continues to carry over 400 million people annually. The TTC is one of the most used public transport systems in North America, and consists of an extensive network of an underground fleet and a ground fleet of streetcars, buses, and a specialized service for people with disabilities. TTC improvements are imperative if the city of Toronto wishes to manage the growing number of public transport users, reduce emissions, and decrease rising traffic conditions and congestion.

2009-2012 Capital Budget Plan

Along with the 2008 Capital Budget Plan, the City of Toronto has also unveiled a 5-year Capital Plan of approximately \$4.1 billion. The 5-year Capital Plan includes a \$10.2 million increase in the TTC operating budget, with an increase of \$9.4 million in 2009 and 2010. From 2010 to 2012, TTC funds will be allocated to four initiatives:

- \$235 million to purchase 126 rocket subway cars to replace existing H6 subway cars
- \$333 million to purchase 204 Light Rail vehicles
- \$203 million for the purchasing of 36 Scarborough Rapid transit (SRT) cars
- \$195.9 million for the installation of Automatic Train Control technology (ATC) in the Yonge/University/Spadina subway to replace existing signaling systems

To cover budget shortfalls, the 2008-2012 Capital Budget is subject to \$481 million in long-term vehicle funding from the Province and \$324 million in long-term funding for rail vehicles from the Federal government. Provincial and Federal government approval for funding of the 2009-2012 Capital Budget is scheduled for Spring 2008.

The 2009-2012 Capital Budget will allow significant improvements of the TTC service over the next 5 years. The new budget will increase the capacity of the Yonge/University/Spadina subway line by 40 percent and overall TTC capacity is estimated to increase by 30 to 50 percent by 2017.

Opportunities for U.S. companies

The improvements and repairs to be implemented in Toronto can present opportunities for businesses in the United States. Once the 2008 capital budget schedule is finalized in early December, the city will be looking to purchase transport vehicles including subway cars, light rail vehicles, and wheel trans buses. Additionally, the TTC will require materials for track construction and station repairs. Those specializing in the manufacturing of these materials should pay close attention to the [city of Toronto's website](http://www.toronto.ca/city_budget/index.htm) for further information when it becomes available. Currently, the 2008 Capital Budget schedule and the 2009-2012 Capital Budget Plan can be viewed at http://www.toronto.ca/city_budget/index.htm.

As deliberations continue, the United States Commercial Service will monitor information on Toronto's capital budget and will report any findings on the U.S. Commercial Service website at <http://www.buyusa.gov/home/>. For information and assistance on this report, please contact Madellon Lopes, Sr. Commercial Specialist in Toronto at: (416) 595 5412, ext. 227; fax (416) 595 5419 or e-mail Madellon.Lopes@mail.doc.gov

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